

Appendix F: Moneris partnership with the City

Moneris, a leader in technology enabled debit and credit card processing solutions in Canada, became a service provider to the City in 2017 through a competitive RFP process. Moneris has since become a valued partner to the City, providing exceptional service and assisting the City with practical solutions throughout the years. Moneris is the payment processor for half of Canada's provinces and territories and several municipalities, accumulating the experience to understand public sector organizations' operations and needs from a service provider.

The amount of card processing fees that Moneris has earned from the City's card payments is insignificant to the overall contract value. The per transaction fee that they charge to cover the cost of processing, clearing, settlement, and reporting of payments and providing customer service has amounted to \$225K over the past 6 years (for over \$1.5B net volume of payments). Moneris also provides the City with the technology to facilitate the collection of payments, through PCI compliant payment terminals for in-person transactions and digital payment gateways for online payments. The services that Moneris has provided the City has allowed the City to meet consumer expectations and grow and sustain its revenues in a secure digital environment.

The partnership and continued engagement with Moneris for payment processing services is exceptionally important. However, as noted previously, the deductions Moneris makes from payments owing to the City are largely the result of fees imposed by card brand and financial institutions managing and issuing the cards themselves; these fees would be incurred regardless of what service provider or payment platform is used.

As digital payments have grown in popularity, chargebacks have become an expensive issue for merchants in Canada. Chargebacks occur when debit and credit transactions are disputed by the consumer and reversed. Since the start of the contract, Moneris has helped the City reduce its chargebacks by 45%, which has saved the City from incurring additional costs from chargeback fees. Since the start of the relationship, Moneris has worked with the City to implement new services that prevent card-not-present fraud and chargeback fraud, such as 3D Secure and Address Verification Services for which the benefits outweigh the costs. These services add a layer of protection to the City which mitigates the cost of dispute management, chargeback penalties, and fees incurred for the City.

Moneris has also worked with the City to develop solutions that bring value to the City. On March 14, 2020, in response to the spread of COVID-19, the City cancelled all programs and closed a number of its facilities, such as city-operated March Break camps and community and recreation centres. In this unprecedented time, the City was tasked with the challenge of providing a large number of refunds for these cancellations. There was concern that consumers would initiate chargebacks if they did not receive the refunds in a timely manner, which had a cost implication for the City. The City approached Moneris for a solution to this problem and Moneris responded by processing batch refunds in a timely, safe, and smooth manner. This solution not only cut down on the extensive processing time that the City was faced with, and potential increased costs, but also ensured consumer/client satisfaction. This is just one

example of how Moneris and the City have partnered to provide service to City customers.

Throughout the City's partnership with Moneris, Moneris has also:

- Kept the City updated on industry specific changes and facilitated required communications with the various card brands.
- Worked with the City to ensure compliance to PCI standards to save the City from incurring possible fines and penalties. The City had to adopt new technology to reduce PCI scope and Moneris provided the City with the PCI compliant devices to do so. Moneris is also instrumental in facilitating discussion with card brands throughout annual PCI compliance audits, including the most recent re-certification audit at August 31, 2022.
- Provided ad-hoc support for information requests by providing user analytics and interpretations of the City's service usage to help the City monitor its contract costs.
- Maintained customer service commitments since contract inception, triaging and correcting technical issues efficiently and in accordance with set service level agreements.